

Lipson, Neilson, Cole, Seltzer & Garin, P.C.
9080 West Post Road, Suite 100
Las Vegas, NV 89148
(702) 382-1500

JOSEPH P. GARIN, ESQ.
Nevada Bar No. 6653
STEPHEN G. KEIM, ESQ.
Nevada Bar No. 11621
LIPSON, NEILSON, COLE, SELTZER, GARIN, P.C.
9080 West Post Road, Suite 100
Las Vegas, NV 89148
Telephone: (702) 382-1500
Facsimile: (702) 382-1512
jgarin@lipsonneilson.com
Attorneys for BASIC FOOD FLAVORS, INC.

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

* * *

EMPLOYERS FIRE INSURANCE COMPANY)	Case No.: 2:10-cv-001109-JCM-VCF
)	
Plaintiff/ Counter-Defendant,)	
)	
vs.)	
)	
BASIC FOOD FLAVORS, INC.)	
)	
Defendant/Counter-Claimant.)	

JOINT STATUS REPORT

Pursuant to this Court's November 3, 2011 Minute Order [Doc. No. 63], Plaintiff/Counter-Defendant EMPLOYERS FIRE INSURANCE COMPANY ("EFIC") and Defendant/Counterclaimant BASIC FOOD FLAVORS, INC. ("BFF"), by and through their respective counsel of record, submit the following Joint Status Report:

1. Set Forth the Status of this Action, Including a List of Any Pending Motions And/or Other Matters Which Require the Attention of this Court.

This insurance coverage action by EFIC seeks declaratory relief on an insurance policy issued by EFIC to BFF in relation to alleged losses asserted by numerous third-party claimants ("Claimants") stemming from the recall of certain hydrolyzed vegetable protein ("HVP") manufactured by BFF.

Lipson, Neilson, Cole, Seltzer & Garin, P.C.
9080 West Post Road, Suite 100
Las Vegas, NV 89148
(702) 382-1500

The parties have been participating in a global settlement process in hopes that a fair resolution would be reached between BFF and EFIC, and the Claimants. Two previous settlement conferences have been held. On September 9, 2011, BFF, EFIC, and the interested Claimants attended the third settlement conference before U.S. Magistrate Judge Lawrence Leavitt [Doc. No. 61]. During the Court's recess, discussions among the attendees were made regarding the BFF Valuation Report and the Claims Evaluation Report, as presented by the neutral administrator, Buccino & Associates ("Buccino"). Although there was significant progress, no settlement was reached. A follow-up conference was scheduled for December 5, 2011. However, due to the reassignment of this case to a new Magistrate Judge, [Doc. No. 62] the Court had to reschedule for February 10, 2012 at 9:30 a.m.

BFF and EFIC have been in continued communications with the Claimants providing various settlement proposals. However, they are in need of additional time to complete a voting process by Claimants of BFF's proposal. This will also allow BFF to engage additional counsel to advise on bankruptcy issues necessary to realize a reasonable solution on all claims. After much deliberation, BFF would provide its final proposal by February 3, 2012 to Buccino, who in turn would distribute same to all Claimants by February 6, 2012 for approval. Claimants are then requested to submit their decisions to Buccino by February 16, 2012. The final certification of the voting results by Buccino is expected on or before February 22, 2012.

On January 25, 2012, BFF and EFIC submitted a Stipulation (and Proposed Order) for Continuance of Settlement Conference [Doc. No. 64]. The stipulation outlines the aforementioned dates, including a proposed status check to either place settlement on record or advise the Court of further proceedings.

On January 26, 2012, the Court entered the order for the new settlement conference which is now set for March 27, 2012 at 9:30 a.m. All participating parties will be notified accordingly.

2. Include a Statement by Counsel of Action Required to Be Taken by this Court.

No action is required to be taken by this Court at this time.

///

3. **Include as Attachments Copies of Any Pending Motions, Responses and Replies
Thereeto And/or Any Other Matters Requiring the Court's Attention**

There are no pending motions requiring the Court's attention.

Dated this 27th day of January, 2012.

Dated this 27th day of January, 2012.

WILSON ELSEER MOSKOWITZ EDELMAN &
DICKER, LLP

LIPSON, NEILSON, COLE, SELTZER &
GARIN, P.C.

By: /s/ Joseph F. Bermudez

By: 

Joseph F. Bermudez, Esq. (*Pro hac vice*)
Suzanne M. Meintzer, Esq. (*Pro hac vice*)
1512 Larimer Street, Suite 550
Denver, CO 80202
*Attorneys for Employers Fire
Insurance Company*

Joseph P. Garin, Esq. (Bar #6653)
Stephen G. Keim, Esq. (Bar #11621)
9080 W. Post Road, Suite 100
Las Vegas, Nevada 89148
Attorneys for Basic Food Flavors, Inc